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C O N F I D E N T I A L SECTION 01 OF 08 NAPLES 000038

SIPDIS

STATE PLEASE PASS TO ONDCP; TREASURY FOR OFAC

E.O. 12958: DECL: 6/6/2018

TAGS: [PGOV](#) [KCRM](#) [ECON](#) [SNAR](#) [KCOR](#) [IT](#)

SUBJECT: ORGANIZED CRIME III: CONFRONTING ORGANIZED CRIME IN
SOUTHERN ITALY

REF: (A) NAPLES 36, (B) NAPLES 37 (C) 07 NAPLES 118

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CLASSIFIED BY: J. PATRICK TRUHN, CONSUL GENERAL, AMCONGEN
NAPLES, STATE.

REASON: 1.4 (b), (d)

11. (C) Summary: This is the third of a three-part series (see reftels A-B for parts I and II); this message offers views on how to combat organized crime in Italy. The USG has a significant stake in the fight against organized crime in Italy. The Italian crime syndicates help support terrorist groups in Colombia and Central Asia through drug trafficking; violate the intellectual property rights of American businesses and artists; buttress organized crime in the United States; pose potential public health risks to U.S. military and dependents stationed in southern Italy; and weaken an important ally. Law enforcement cooperation has led to many important arrests, particularly in Sicily, but could be strengthened. However, the apprehension of criminals is not enough. Trials need to be swifter and sentences tougher. The seizure of mob assets, not only in Southern Italy but in the North and in other countries, is another way to hit hard at these groups, and the economy needs to offer young people an honest alternative to crime. Education and awareness-raising among politicians, average citizens and students are essential elements to any successful strategy against organized crime. The Italian Catholic Church can also play a more prominent role, as a couple of brave clerics have demonstrated. We can also publicly support grassroots strategies to foster a societal rejection of organized crime. ConGen Naples strongly supports OFAC's decision to add the 'Ndrangheta to its Drug Kingpin list. End summary.

12. (C) The first two cables in this three-part series were descriptive, explaining how organized crime is the greatest threat to economic growth in Southern Italy. This message is prescriptive, proposing a multi-faceted approach to more

effectively combat organized crime in Italy. Specifically, we propose consideration of the following tactics as part of a multi-faceted approach by the USG:

- Publicly acknowledging both the scope of Italy's organized crime problem and USG support for Italian efforts to combat it.

- The committing of greater resources to law enforcement cooperation with Italy.

- Fostering closer cooperation between Italian law enforcement officials and counterparts in other key countries.

- Conveying to the GOI the view that it has far too few anti-Mafia magistrates in Calabria, home to the country's largest criminal organization.

- Pressing the GOI to root out corruption at its ports.

- Cooperating more closely with Italy's Central Bank, and pressing other countries (e.g., Switzerland, Liechtenstein, Monaco) to cooperate more, in order to crack down on money laundering.

- Working with the GOI to improve a flawed judicial system. If organized crime is to be brought under control, sentences must be tougher, appeals limited, and the judicial process made more efficient. Convicted prisoners cannot be set free because judges failed to complete paperwork on time.

- Sharing the USG experience on penal institutions. One of Italy's biggest problems is a lack of prisons, which means many of the accused are never jailed and many convicts are released far in advance of completing their sentences.

- Giving more visible support for grassroots efforts to fight organized crime (e.g., groups in Sicily that are leading a public rebellion against paying extortion).

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- Helping raise public awareness about the deleterious effects of organized crime and how it has been dealt with in the United States.

- Enlisting the assistance of the Roman Catholic Church to be more outspoken against organized crime.

- Encouraging the GOI and EU to invest in infrastructure, particularly improvements to public security, in southern Italy and at the same time to tighten accountability for how this money is spent.

Why We Should Care

13. (SBU) The USG can and should become more engaged for several key reasons:

- Drug trafficking by Italian mobs sends money to narcotraffickers (and thus indirectly to terrorist groups) in Colombia and Afghanistan, affecting U.S. national security.

- A 2005 FBI intelligence assessment reported that "Criminal interaction between Italian organized crime and Islamic extremist groups provides potential terrorists with access to funding and logistical support from criminal organizations with established smuggling routes and an entrenched presence in the United States." In a public statement given on April 19, 2004, Italy's national anti-Mafia prosecutor, Pierluigi Vigna, indicated a link between Islamic militant groups and the Camorra, stating that evidence existed implicating the Camorra in an exchange of weapons for drugs with Islamic terrorist groups.

- Counterfeiting and piracy of American-made products

(particularly movies, music and software) directly impact U.S. economic interests.

-- Ties between Italian and U.S. organized crime mutually reinforce these groups. The links between the Sicilian Cosa Nostra and the U.S. Mafia go back nearly a century, but the Camorra and 'Ndrangheta also have affiliates in the United States, according to the FBI.

-- Amcit residents (including thousands of Navy personnel and their families in Campania and Sicily) and tourists are affected by street crime and potentially by the Campania waste crisis (which result in large part from organized crime -- see reftels) and illegal toxic dumping in the region.

-- U.S. businesses that would like to invest in Southern Italy refrain from doing so because of concerns about organized crime.

-- Organized crime weakens an important ally politically, economically and socially.

Why Law Enforcement Alone is Not Enough

¶4. (U) In its efforts to defeat organized crime, the Italian government has been most successful in Apulia, where the Sacra Corona Unita has been mostly dismantled, and Sicily, where a multi-faceted approach has led to the arrests of dozens of Cosa Nostra bosses, important seizures of mob assets, and a growing rebellion by business owners against the protection racket. Law enforcement has been one of the keys to progress in Sicily, where authorities cracked down following the 1992 mob assassinations of anti-Mafia prosecutors Giovanni Falcone and Paolo Borsellino. Wiretapping, plea-bargaining agreements, the strengthening of a witness protection program, and greater

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security for judges and prosecutors have resulted in the apprehension of hundreds of Mafia members and associates. The captures of top bosses Toto Riina in 1993, Bernardo Provenzano in 2006, and Salvatore Lo Piccolo in 2007 proved to be significant blows to an organization built on a pyramidal hierarchy. However, law enforcement successes have not been the only factor in Sicily's progress against organized crime. Sicilian citizens' efforts to reject the Mafia are finally getting traction. The Industrialists Confederation (Confindustria) has started expelling members who have paid protection money and not complained to police. At least two new anti-racket NGOs have been formed, one by consumers and one by business owners (more below). And even the Church, long considered complicit for not refusing to preside at lavish Mafia funerals, has seen a bishop forced to seek police protection for just that.

¶5. (C) The situation is starkly different in Campania and Calabria. Because the Camorra in Campania is not one organization, but a multitude of armed gangs, there is no one boss whose capture could cause a significant blow to organized crime in the region. The war on the 'Ndrangheta in Calabria has been even more difficult. With members recruited on the basis of family ties, the 'Ndrangheta is virtually impervious to police infiltration. "Every cell is composed of people who belong to family, and this is why there are no justice collaborators," according to Nicola Gratteri, Calabria's senior anti-Mafia prosecutor, who adds that only 42 turncoats have come from the 'Ndrangheta, compared with 700 to 1,000 from the Cosa Nostra and 2,000 from the Camorra. It would be difficult to completely duplicate the Sicilian strategy in Campania and Calabria, but what is clear is that relying merely on arrests is not enough. As another anti-Mafia prosecutor, Catania-based Giuseppe Gennaro, told us, "You can apprehend mobsters, but most are released within five years."

¶6. (C) Law enforcement alone, however, cannot solve Italy's organized crime problem. Apulia's success in dismantling Santa Corona Unita was certainly facilitated by economic development

which offered its citizens an honest alternative; it is southern Italy's principal economic success story (ref C). Cosenza sociology professor Giap Parini explained to us that any overall strategy must include political, economic, and socio-cultural components in addition to law enforcement elements. Banco di Napoli President Antonio Nucci told the CG that "the police can lock up all the people they want, but it won't be enough if crime is the only job that pays."

17. (SBU) A multi-faceted approach must necessarily include components designed to change public attitudes towards organized crime. Ivan Lo Bello, the President of the Sicilian Industrialists Confederation, told us in December 2007 that the first step is to "reject the fatalist perspective that things cannot change. To defeat the Mafia, you need society to band together. Sanction by society hurts more than sanction by the state. Gaining greater consensus is the solution, not bringing in the army." With this in mind, the prescription must include education and awareness-raising, and support for grassroots organizations that are standing up to the criminals.

Law Enforcement Approaches

18. (C) As noted above, law enforcement successes have been one of the keys to the progress in Sicily. A February 2008 joint U.S.-Italian sting, called "Operation Old Bridge," resulted in the arrests of over 80 suspects in the United States and over 30 in Sicily, and exposed attempts by the Cosa Nostra to reestablish ties with New York's Gambino family that would have increased drug trafficking to Italy. Ironically, there are

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significantly more anti-Mafia prosecutors and magistrates in Sicily and Campania than in Calabria, where the largest and most dangerous mob, the 'Ndrangheta, is based. The USG should consider:

-- Greater cooperation with Italian authorities (on the order of "Old Bridge"), committing more resources and intelligence-sharing to fighting the Camorra and the 'Ndrangheta; we could also foster much closer cooperation between Italian authorities and their counterparts in Colombia, Albania, Bulgaria, Turkey, Nigeria, Afghanistan and elsewhere. At least two prosecutors have complained to us about the ineffectiveness of authorities in Spain to combat drug trafficking by Italian and Spanish organized crime groups. (Comment: DEA, by contrast, has found Spain to be an outstanding partner in international drug investigations. The issue may be one of poor cooperation, rather than any lack of dedication or competence on either side. End comment.)

-- The need to impress on Italian authorities that far more law enforcement resources are needed in Calabria, including dramatically increased numbers of anti-Mafia judges and prosecutors.

-- Pressing Italian authorities to root out corruption at Italy's ports. There are USG Container Security Initiative officials present at some ports, but they are focused on containers destined for the United States. Having seen the tight security at Calabria's Gioia Tauro port (ref A), ConGen Naples believes that the reported in-flow of narcotics there can only be done with the assistance and complicity of corrupt personnel.

Financial and Economic Strategies

19. (C) Anti-Mafia prosecutor Gennaro believes that seizure of assets is a much more important weapon than arrests. "To defeat the Mafia, you have to attack their profits and investments," he told us in Catania, Sicily in January 2008. Gennaro expressed frustration over the discovery that many banks in Italy do not report suspicious transactions to the Central Bank. It has also been very difficult for Italian authorities to obtain

information from banking authorities in Switzerland, Liechtenstein and Monaco, where Mafia members stash away their earnings in secret accounts. In February 2008, the Treasury Police in Sicily confiscated mob assets with an estimated worth of nearly 309 million euros (USD 487 million) -- "a tremendous blow," according to then-Interior Minister Giuliano Amato, one that could lead to "a crisis for the entire organization." Unfortunately, confiscations of this sort happen much less frequently in Campania and Calabria, let alone in northern Italy, where much of the money laundering takes place. The USG should consider:

-- Working more closely with Italy's Central Bank and Fiscal Police, perhaps via greater sharing of intelligence and information obtained from investigations, to identify organized crime assets and ensure that they are frozen or confiscated.

-- Adding all three major Italian mobs to the Office of Foreign Assets Control's Drug Kingpin list. OFAC has included the 'Ndrangheta on the Tier One list, which could eventually lead to sanctions on companies dealing with the organization and front companies that launder money. The 'Ndrangheta is by all accounts one of Western Europe's biggest drug trafficking groups, but the Cosa Nostra and Camorra are also heavily engaged in the narcotics trade.

-- Reinforcing and re-orienting existing programs such as the

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Partnership for Growth, to increase economic growth, which will create more well-paying alternatives to organized crime.

Judicial Weapons

¶10. (C) In February 2008, the son of Cosa Nostra boss Toto Riina was released from jail under a law that frees those who have been held for five years without a trial, and a prosecutor was recently skewered by the press for allowing several Mafia cases to expire (resulting in the release of suspects). Naples-based former Senator Lorenzo Diana, an organized crime expert, believes that the Italian justice system needs quicker trials and stiffer sentences. And Gratteri (the top anti-Mafia prosecutor in Calabria) contends that, in order to bring down the 'Ndrangheta, new legislation is needed. "We have no laws that are proportional to the force of the 'Ndrangheta," he told us, echoing Gennaro's lament that well-behaved convicts can leave prison after five years. "I would like ... [them] not to be released before 30 years." Diana also believes the system that conducts background checks on those bidding on government contracts is not working. Unfortunately, the country's politicians are not focused on these issues, as was clear from the March-April 2008 election campaign in which organized crime was barely mentioned. Strengthening the efficiency of the judiciary and its ability to impose stronger sentences should be a priority for the next parliament. Furthermore, Italy must improve civil and criminal courts to enforce commercial contracts, consumer protections, criminal law, health and safety standards, building codes, and general quality-of-life standards. As long as the court systems are dysfunctional, it will be impossible to reduce organized crime to a manageable level.

¶11. (C) We may also want to consider sharing with the GOI the U.S. experience in construction, management and privatization of prisons. One of the most serious issues facing Italian law enforcement is the lack of prisons. At the end of 2007, according to the Justice Ministry, Italian jails held 113 inmates for every 100 beds. In 2006, the GOI granted early release to several thousand convicts in an effort to alleviate the overcrowding; MOJ statistics show the recidivism rate to be 31 percent. A Carabinieri colonel complained to the CG in April 2008 that police are frustrated by their inability to keep accused or suspected mobsters in jail because of the lack of cells.

¶12. (C) Lo Bello, the President of the Sicilian Confindustria, took the bold step in September 2007 of instituting a policy (adopted by unanimous vote) of expelling members who have paid protection money to the Mafia and not complained to police. Since that time, around 35 members have been asked to leave the Confederation. This courageous move has been praised by business owners, the media and political leaders. Lo Bello told us in January 2008 that "The time has come [for Sicily] to move from an archaic, feudal past to modernity." When we met with them in late 2007, the Calabrian Industrialists were much more timid, looking over their backs before telling us that the time is not right for business owners to take a public stand against extortion there. (In June 2006, one of the founders of the Calabria anti-racket association, Fedele Scarcella, was brutally assassinated; his charred corpse was discovered in his burned car in what authorities described as "very probably a Mafia homicide.") Nonetheless, the media reported in March 2008 on talks between the two regions' Industrialists Confederations on collaborating against organized crime. Lo Bello was quoted as declaring, "It may seem simple, but what has happened has

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changed the framework of the entire region: the idea that the fight against the Mafia cannot be delegated only to the State, but needs to include an assumption of responsibility on the part of Southern Italian society: in this case, the world of entrepreneurship." Also in March, the Industrialists Confederation in Caserta (Campania) took initial steps toward a similar policy, drawing praise from the anti-Mafia prosecutor. Lo Bello hopes to enlist other business and trade associations to adopt similar rules. Unfortunately, most Sicilian business owners are still unwilling to complain about extortion. In May 2008, a prominent businessman, Vincenzo Conticello, who has refused to pay protection money for his Palermo focaccia restaurant, told the CG that he had heard (probably from his police escort) that of 170 companies named in the accounting books of apprehended Mafia boss Salvatore Lo Piccolo, only three have owned up to it, while the others claim the accounts are in error.

¶13. (SBU) Sicilian businesses, emboldened by the arrests of top Mafia bosses, are openly defying the Mafia by signing on with a grassroots organization called "Addiopizzo" (Goodbye "Pizzo," the Italian word for extortion payments), which brings together businesses in Palermo that are resisting extortion. The campaign was launched in 2004 by a group of youths thinking of opening a pub. They started off by plastering Palermo with anti-pizzo fliers, reading "AN ENTIRE PEOPLE THAT PAYS THE PIZZO IS A PEOPLE WITHOUT DIGNITY," and eventually brought their campaign online where it struck a chord with Sicilians fed up with Mafia bullying. The rebellion has since spread to other strongholds of the most ruthless Mafia clans, including places such as Gela, an industrial coastal town, where some 80 business owners in recent months have denounced extortion attempts. This is a dramatic turn since the early 1990's, when a Gela merchant who denounced extortion was slain by the Mafia, and a Gela car dealer, whose showroom was repeatedly torched, had to move his family and change his name after he testified in court. "Addiopizzo" has recently launched a supermarket selling products certified as being "pizzo" free, and maintains a public list on the internet of businesses rejecting extortion. Another NGO was launched last November by forty Sicilian business owners to assist entrepreneurs who refuse to pay extortion money. The group is called "Libero Futuro," which translates "Free Future," but also pays homage to Libero Grassi, a Sicilian businessman who was murdered in 1991 for refusing to pay protection money. In response to the organization's founding, Palermo mayor Diego Cammarata promised 50,000 euros to assist merchants who have been victims of extortion. "This rebellion goes to the heart of the Mafia," says Palermo prosecutor Maurizio De Lucia, who has investigated extortion cases for years. "If it works, we will have a great advantage in the fight against the Mafia."

¶14. (SBU) For authorities battling the 'Ndrangheta, a welcome ally has been "Ammazzateci Tutti," ("Kill Us All") formed three years ago by fed-up young people in the wake of the mob assassination of Calabria regional Vice President Fortugno. In a recent news interview, Bruno Marino, a student whose father was killed by the 'Ndrangheta, likened the 'Ndrangheta to "an octopus that tries to control everything and to kill all of the fish." Since its founding, Ammazzateci Tutti has held regular demonstrations designed to pressure the Italian state into taking action against the 'Ndrangheta. In February 2007, a protest in Reggio Calabria drew thousands into the streets. Later in the year, the group staged regular protests against the government's pending transfer of Luigi De Magistris, an anti-Mafia prosecutor investigating links between politicians and the 'Ndrangheta. "Ammazzateci Tutti is a message that expresses both hope and challenge to the 'Ndrangheta, saying, 'See if you have enough lead to kill us all,' " according to Aldo Pecora, a law student and spokesman for the group. "It is also a challenge to normal people to rebel against the the

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'Ndrangheta." These groups are having an impact, but they remain fledgling organizations with little official backing. The USG can lend public support to these groups (a member of Addiopizzo, for example, was selected for the State Department's International Visitor program.)

Education and Public Awareness

¶15. (SBU) Many of our interlocutors believe that the long-term solution to organized crime is education. This means breaking the pervasive culture of organized crime which controls societies through power and fear. It means destroying the glamorous image that young people have of Mafia bosses and more openly and directly supporting those who defy the Mafia. It means getting consumers to realize that the prices of a bottle of olive oil, a jar of tomato sauce, a bottle of wine -- the staples of Italian life -- have been inflated by organized crime, or that the products themselves have been adulterated by the same sources. It also means breaking the culture of illegality that is so rampant in Southern Italy but also felt countrywide; that is, the blatant disregard for the law by average citizens and the lack of a sense of civic responsibility. Naples Chief Prosecutor GianDomenico Lepore told the CG -- while lighting a cigar in a no-smoking office to underscore his point -- that Neapolitans have something "in their DNA" that causes them to react to any law by breaking it. Campania Carabinieri General Franco Mottola told the CG that the Camorra exploits a general atmosphere of delinquency in Naples. He suggested the change needed to start in the schools, but added that first teacher training would be required ("they can't teach what they don't know"). We could perhaps encourage the Italian government to make greater outreach efforts in poor neighborhoods, and to offer alternatives to a life of crime for young people. There is a conspicuous lack of a visible police presence throughout Naples, and there have been countless cases of Neapolitans protecting criminals from police trying to apprehend them.

¶16. (U) Instead of Mafia dons, those fighting them need to be regarded as the real role models. Roberto Saviano, whose book "Gomorrah" was an international best-seller in 2007, may be well on his way. He appears regularly in print and broadcast media as not just an authority on the mob, but more importantly as a moral compass for those willing to listen. The film version, released in May 2008, will probably have an even bigger impact, as it underscores the Camorra's influence in toxic waste dumping and features hip young actors and a score by popular musicians. Saviano's book and the film (for which he wrote the screenplay) are also keys to convincing Italians that organized crime is not just a southern problem, but an Italian problem. When asked how the USG could best assist in the fight against organized crime beyond law enforcement cooperation, Saviano told the CG in April 2008, "Just talking about it, you give the issue a credibility that the rest of the world, including the Italians, cannot

ignore."

The Role of the Church

¶17. (C) The Italian Catholic Church has often come under fire for not taking a stronger public stance against organized crime. One of the few priests who have, Father Luigi Merola, is now under police escort after working against the Camorra in the poor Naples neighborhood of Forcella. In February 2008, he inaugurated a foundation for at-risk youth in the confiscated villa of a former Camorra boss. ConGen Naples and local U.S. Navy personnel are lending their support to the foundation by volunteering to teach English, build sports facilities and coach the kids who participate in the foundation's programs, which are

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designed to offer the kids an alternative to crime. Another Church official, Bishop Michele Pennisi of Piazza Armerina in Sicily, is also under police escort after refusing to preside over funerals of mafiosi. We may want to consider seeking greater Church cooperation against organized crime, perhaps through channels at the Holy See or with Italian Church leaders.

"Heal the Periphery" - Improve Infrastructure

¶18. (SBU) The GOI and European Union should be encouraged to review the way public money is invested in Southern Italy. As noted in ref B, infrastructure contracts often wind up going to mob-owned businesses, who steal millions while building sub-standard roads, tunnels, bridges and public housing. Instead, recommends Naples-based former Senator Diana, "Heal the periphery. Take ten places and invest 100 - 200 million euros in them." He says that money could be spent building parks and improving security (e.g., with lighting and video cameras), creating conditions unfavorable to organized crime.

¶19. (C) Comment: Although law enforcement, business associations, citizens' groups, and the church, at least in some locations, are demonstrating promising engagement in fighting organized crime, the same cannot be said of Italy's politicians, particularly at the national level. As Roberto Saviano has reminded us, the subject was virtually absent from the March-April election campaign. At the national level it is generally referred to, if at all, as a "southern" issue, although it affects the entire country and although the South's criminal organizations have made worrying advances in the North. Even in Sicily, where regional elections were precipitated by former governor Cuffaro's conviction for Mafia-related crimes, discussion of crime was not a major part of the campaign (and Cuffaro was elected to the Senate). We should work to convey to Italy's new government that organized crime is a serious USG priority, and that the dramatic economic costs of organized crime present a convincing argument for immediate action. However, we should not limit our support for Italy's organized crime efforts to private conversations; on the contrary, our public advocacy for the efforts of Confindustria, Addiopizzo, Church clerics, and others will give them both greater visibility and enhanced credibility, just as many Italians ignored the impressive innovations of their own research institutions before the Mission's Partnership for Growth program began to champion them. End comment.

¶20. (U) This three-part cable series was coordinated with and cleared by relevant agencies and sections in Embassies Rome and Vatican.

TRUHN